

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 01-0199

Sales Tax

Calendar Years 1998 and 1999

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer rents videotapes to individuals for home viewing. During 1999, the taxpayer ceased operations. Taxpayer failed to provide source documents or records during the audit. The auditor completed the audit by calculating sales tax based upon apportionment figures on the taxpayer's corporate income tax returns, which have been considered best information available.

Taxpayer failed to remit all of its sales tax.

1. **Tax Administration** – Penalty

DISCUSSION

The taxpayer protests the assessment of a ten percent (10%) negligence penalty for its failure to remit sales taxes. In the protest letter, the taxpayer merely asks for a reduction in penalty and a payment plan in which to remit the tax over a period of time.

A review of the audit indicates the taxpayer did not remit nor report all of its sales tax due. Taxpayer did not provide reasonable cause to allow a waiver of the penalty.

FINDING

Taxpayer's protest is denied.